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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/541,185	06/29/2005	Frederick Roelof Van Rensburg	U 015834-0	4901
140	7590	08/19/2009	EXAMINER	
LADAS & PARRY LLP 26 WEST 61ST STREET NEW YORK, NY 10023			GOTTSCHALK, MARTIN A	
ART UNIT		PAPER NUMBER		
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 10/541,185 <b>Examiner</b> MARTIN A. GOTTSCHALK	<b>Applicant(s)</b> VAN RENSBURG, FREDERICK ROELOF <b>Art Unit</b> 3696
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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 28 May 2009.
- 2a) This action is FINAL.      2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-15 is/are pending in the application.
  - 4a) Of the above claim(s) 6-11, 13 and 14 is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-5, 12, and 15 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  - a) All    b) Some \* c) None of:
  1. Certified copies of the priority documents have been received.
  2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- 1) Notice of References Cited (PTO-892)
- 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) Information Disclosure Statement(s) (PTO/SB/08)  
 Paper No(s)/Mail Date \_\_\_\_\_
- 4) Interview Summary (PTO-413)  
 Paper No(s)/Mail Date \_\_\_\_\_
- 5) Notice of Informal Patent Application
- 6) Other: \_\_\_\_\_

**DETAILED ACTION**

***Notice to Applicant***

1. Claims 1-5, 12, and 15 have been examined. Claims 6-11, 13, and 14 are withdrawn. Claims 1, 3, 5, and 6-11 are amended. Claims 12-15 are new. The remaining claims are as per the original.

***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1-5, 12, and 15 (note that new claims 12 and 15 would have been included in this group, and are thus currently considered to be rejected under this section as necessitated by their addition through amendment) stand rejected under 35 U.S.C. 101, claim 1 being the single independent claim of this group. In the response of 12/18/2009, Applicant appears to argue that the analysis applied to the claims in view of *In re Comiskey*, having now been replaced by *In re Bilski* (as correctly noted by Applicant in the response), is not valid because these claims are not directed to a process, but rather an insurance product. In response, if Applicant asserts that said insurance product is not a process, the Examiner likewise notes that neither is said insurance product an apparatus, article of manufacture, nor composition of matter. As

such, the claims do not fall under one of the four statutory classes of patentable subject matter, **thus their rejection is maintained.**

4. The Examiner notes however, that the language of the claim implies that what is attempted at being claimed is a process (such language including for example, "whereby the insurer transforms the value..., by undertaking to compensate..."), the recitation of an "insurance product" in the preamble notwithstanding. The Examiner further notes that Applicant has amended claim 1 so that rather than reciting "undertakes," it now recites "transforms," apparently in an attempt to have the claim fulfill the "transformation" prong of the "machine-transformation test" provided in *Bilski*. In Applicant's arguments, Applicant appears to be aware that a transformation of data as the underlying material is statutory only when the data being transformed represents a physical object or substance. Applicant further appears to believe the recited transformation meets this criterion, arguing that the underlying material is "money." The Examiner respectfully disagrees, because the claim actually refers to transformation of the "value...of an article" which is not a physical object or substance, nor physical embodiment of money. Thus even if the claim is considered to be a process, it would fail to meet the machine or transformation test. In addition to *Bilski*, see also *In re Abele* 684 F.2d 902, 214 USPQ 682 (CCPA 1982).

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

6. Claims 1-5, 12 and 15 are rejected under 35 U.S.C. 102(b) as being anticipated by Buggs (Buggs, Shannon, "Beef Up Insurance If Leasing Vehicle." Houston Chronicle. Houston, Texas, Jun 18, 2001. pg. 1, hereinafter Buggs).

As per claim 1 Buggs teaches an insurance product comprising

a policy whereby the insurer transforms the value of a damaged and repaired article that has been insured into the value of an article that is similar but undamaged, when the owner disposes of the insured article, by undertaking to compensate an owner of the repaired article a difference in value of the repaired article and the undamaged similar article, such that the transformed value of the repaired article is similar to the value of the undamaged similar article (Buggs: pg 2, paragraphs 10-11, i.e. "gap insurance"; also : pg 2, paragraph 20 "A full report will tell you..." i.e. the car was in an accident but repaired well enough to sell; pg 2, paragraphs 13-14, i.e. replacement insures provides a similar car, which the Examiner considers to be of similar value.).

**As per claim 2,** Buggs teaches an insurance product as claimed in claim 1,

in which the insured article is a motor vehicle (Buggs: pg 2, paragraphs 10-11, i.e. "gap insurance").

**As per claim 3,** Buggs teaches an insurance product as claimed in claim 1,

in which the loss in value of the insured article was incurred as a result of a diminution in the value of the insured article due to the insured article having been damaged in an accident, notwithstanding that the insured article was competently repaired after the accident (Buggs: pg 2, paragraphs 20 "A full report will tell you..." i.e. the car was in an accident but repaired well enough to sell. The Examiner also notes that an article could be damaged then repaired, then damaged again more severely such that it is totaled, wherein gap insurance would cover any difference between market value and what is owed to a financing entity.).

**As per claim 4,** Buggs teaches an insurance product as claimed in claim 3,

in which the compensation is in respect of the whole of the loss (Buggs: pg 2, paragraphs 13-15, i.e. "payoff").

**As per claim 5**, Buggs teaches an insurance product as claimed in claim 1

in which the owner is compensated when the value of the repaired article is less than an agreed minimum value, and the agreed minimum value is an average price for undamaged similar articles, as determined by an independent party (Buggs: pg 2, paragraphs 10-11, i.e. "gap insurance", where agreed minimum value is the difference between the damaged vehicle and what is owed on the lease.)

**As per claim 12**, Buggs teaches an insurance product as claimed in claim 1, wherein

the difference in value is compensated to the owner in the form of currency (Buggs: pg 2, paragraph 12).

**As per claim 15**, Buggs teaches an insured article as claimed in claim 2, wherein

the difference in value is compensated to the owner in the form of a discount granted by a dealer in respect of a purchase price of another motor vehicle when the owner trades in the insured motor vehicle (Buggs: pg 3, paragraphs 8-9).

***Response to Arguments***

7. Applicant's arguments concerning claims 1 and 3 filed 05/28/2009 have been fully considered but they are not persuasive. Applicant is referred to the citations and explanations provided above in the rejections of the amended claims.

***Conclusion***

8. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

9. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

10. Any inquiry concerning this communication or earlier communications from the examiner should be directed to MARTIN A. GOTTSCHALK whose telephone number is (571)272-7030. The examiner can normally be reached on Mon - Fri 8:30 - 5:00.

11. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Thomas Dixon can be reached on (571) 272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

12. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/M. A. G./  
Examiner, Art Unit 3696

/Ella Colbert/  
Primary Examiner, Art Unit 3696